



## ECONOMIC DEVELOPMENT

## VARIANCE REPORT

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	492.00	433.00	- 59.00	12	460.00	419.00	- 41.00	9	460.00	353.98	- 106.02	23
EXPENDITURES (\$1000's)	278,883	210,728	- 68,155	24	70,615	33,077	- 37,538	53	277,334	273,354	- 3,980	1
<b>TOTAL COSTS</b>												
POSITIONS	492.00	433.00	- 59.00	12	460.00	419.00	- 41.00	9	460.00	353.98	- 106.02	23
EXPENDITURES (\$1000's)	278,883	210,728	- 68,155	24	70,615	33,077	- 37,538	53	277,334	273,354	- 3,980	1
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. GROSS STATE PRODUCT (2000 CONSTANT \$ IN MILLIONS)					50010	49611	- 399	1	50291	49658	- 633	1
2. REAL PERSONAL INCOME (2000 CONSTANT \$ IN MILLIONS)					40149	41708	+ 1559	4	40257	41684	+ 1427	4
3. UNEMPLOYMENT RATE (%; TENTHS)					3.7	5.5	+ 1.8	49	4.4	7.0	+ 2.6	59
4. TOTAL EMPLOYMENT (THOUSANDS)					637	615	- 22	3	638	601	- 37	6
5. GROSS STATE PRODUCT (CURRENT \$ IN MILLIONS)					64185	63991	- 194	0	66114	64712	- 1402	2
6. REAL PERSONAL INCOME (CURRENT \$ IN MILLIONS)					52717	54283	+ 1566	3	54213	54854	+ 641	1

## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: ECONOMIC DEVELOPMENT**

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**01**

### **PART I - EXPENDITURES AND POSITIONS**

The variance in Economic Development program position counts is generally due to delays in recruitment and filling of vacancies. The variance in expenditures is the net effect of position vacancies, lower than anticipated expenditures and delays or deferrals of program projects.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 3 - Variance in FY 09 and FY 10 due to the downturn in the economy.

## VARIANCE REPORT

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	87.00	84.00	- 3.00	3	71.00	68.00	- 3.00	4	71.00	65.00	- 6.00	8
EXPENDITURES (\$1000's)	8,852	5,856	- 2,996	34	1,116	1,140	+ 24	2	6,728	6,338	- 390	6
<b>TOTAL COSTS</b>												
POSITIONS	87.00	84.00	- 3.00	3	71.00	68.00	- 3.00	4	71.00	65.00	- 6.00	8
EXPENDITURES (\$1000's)	8,852	5,856	- 2,996	34	1,116	1,140	+ 24	2	6,728	6,338	- 390	6
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. ANNUAL PERCENTAGE INCREASE IN GROSS STATE PRODUCT					2.8	0.0	- 2.8	100	3.0	0.1	- 2.9	97
2. NUMBER OF NEW JOBS CREATED PER ANNUM					-544	-13750	- 13206	-2428	1028	-13549	- 14577	1418

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

## STATE OF HAWAII

PROGRAM TITLE:

STRATEGIC MARKETING &amp; SUPPORT

PROGRAM-ID:

BED-100

PROGRAM STRUCTURE NO: 010101

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	20.00	20.00	+	0.00	16.00	16.00	+	0.00	16.00	10.00	-	38
<b>EXPENDITURES (\$1000's)</b>	3,900	1,690	-	2,210	276	276	+	0	2,999	2,852	-	5
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	20.00	20.00	+	0.00	16.00	16.00	+	0.00	16.00	10.00	-	38
<b>EXPENDITURES (\$1000's)</b>	3,900	1,690	-	2,210	276	276	+	0	2,999	2,852	-	5
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. INVESTMENT GEN BY BUS DEV & PROMO ACT \$M					13	5	-	8	13	5	-	8
2. NUMBER OF TRADE & INVESTMENT LEADS GENERATED					600	380	-	220	600	350	-	250
3. CLIENT SATISFACTN BASED ON EVAL SURVEYS					9.0	9.0	+	0	9.0	9.0	+	0
4. # JOBS GENERATED BY COMMUNITY-BASED ORGANIZATIONS					100	90	-	10	100	75	-	25
5. # NEW FIRMS ENROLLED IN ENTERPRISE ZONE PROGRAM					30	23	-	7	30	25	-	5
6. # JOBS GENERATED BY ENTERPRISE ZONE BUSINESSES					200	185	-	15	200	200	+	0
7. # BAC CLIENTS ASSISTED BY PHONE & IN PERSON					NO DATA	NO DATA	+	0	NO DATA	NO DATA	+	0
8. # BAC LICENSE APPLICATIONS PROCESSED					NO DATA	NO DATA	+	0	NO DATA	NO DATA	+	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # HAWAII FIRMS ENGAGED IN INTERNAT'L BUSINESS					750	700	-	50	750	700	-	50
2. # ELIG NON-PROFIT COMM-BASED ORGS & COOPERATIVES					400	380	-	20	400	375	-	25
3. # SMALL BUS REQUESTING REGULATORY RELIEF/LEGIS					10	4	-	6	10	5	-	5
4. # ATTENDEES AT BAC OUTREACH ENGAGEMENTS					NO DATA	NO DATA	+	0	NO DATA	NO DATA	+	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # INT'L BUSINESS DEVELOPMENT ACTIVITIES					100	50	-	50	100	50	-	50
2. # NAT'L BUSINESS DEVELOPMENT ACTIVITIES					5	0	-	5	5	0	-	5
3. #OUT-OF-STATE FIRMS, ORGS ASSTD TO LOCATE/INV HERE					10	9	-	1	10	10	+	0
4. # LOCAL FOCUSED EDUC & PROMO, BUS DEV ACTIVS					30	15	-	15	30	10	-	20
5. # PRINT, ELECTRONIC PUBLICATIONS, MKTG COLLATERAL					25	15	-	10	25	10	-	15
6. # INVESTMENT & TRADE CONSULTATIONS					300	285	-	15	300	270	-	30
7. #FIRMS GVN INFO/ASST FOR PARTIC IN ENTERPRSE ZONES					300	275	-	25	300	275	-	25
8. NUMBER OF BAC OUTREACH ENGAGEMENTS					NO DATA	NO DATA	+	0	NO DATA	NO DATA	+	0
9. # CBED APPLICATIONS RECEIVED & REVIEWED					15	8	-	7	15	10	-	5
10. # NEW/AMENDED RULES REVIEWD BY BUS ADV & SBRRB					55	30	-	25	55	35	-	20

## VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010

**PROGRAM TITLE: STRATEGIC MARKETING & SUPPORT**

01 01 01  
BED 100

### **PART I - EXPENDITURES AND POSITIONS**

The expenditure variance is due to mandated cuts to personnel and the operating budget.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. Investments generated not tied directly to business development activities. Business development activities decrease due in large part to significant decrease in funding.

Item 2. Trade and investment leads generated through industry development and investment attraction are not easy to quantify in advance. The decrease in trade/investment leads in FY 09 and FY 10 are a direct result of decreased funding for out-of-state trade and promotion missions.

Item 5. The decrease in the number of firms enrolled in the Enterprize Zone Program in FY 10 is due to the downturn in the economy and reduced outreach caused by cutbacks in program funding and staff.

### **PART III - PROGRAM TARGET GROUPS**

Item 3. The variance in the planned number of small businesses requesting regulatory relief is due to an overestimation; this number cannot be estimated in advance.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. The number of international business development activities decreased in spite of the efforts by the Department's two overseas offices in Beijing and Taipei to market Hawaii's products, services and investment opportunities through targeted trade shows and other activities. The variance is due in part to reduction in program staff and marketing budget and the division's effort to focus its limited resources on core and legislatively-mandated programs.

Item 2. No national business development activity due to staff and

budget cutbacks in FY 09 and FY 10. The division has been focusing its limited resources on core and legislatively-mandated programs.

Item 4. The number of locally-focused business development activities decreased in FY 09 and FY 10 due to staff and budget cutbacks. The division has been focusing its limited resources on core and legislatively-mandated programs.

Item 5. The decrease in the number of print, electronic publications and marketing collateral pieces is due to the decrease in business development activities.

Item 9. The variance in the planned number of community-based economic development applications received and reviewed is due to an overestimation; this number cannot be estimated in advance.

Item 10. The variance in the number of new and amended rules reviewed by the Business Advocate and the Small Business Regulatory Review Board is due to an overestimation; this number cannot be estimated in advance. It is important to note that the Business Advocate's position was eliminated in November 2009.

## STATE OF HAWAII

PROGRAM TITLE:

CREATIVE INDUSTRIES DIVISION

PROGRAM-ID:

BED-105

PROGRAM STRUCTURE NO: 010102

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	13.00	13.00	+	0.00	6.00	6.00	+	0.00	6.00	6.00	+	0.00
<b>EXPENDITURES (\$1000's)</b>	1,293	1,011	-	282	123	124	+	1	423	370	-	53
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	13.00	13.00	+	0.00	6.00	6.00	+	0.00	6.00	6.00	+	0.00
<b>EXPENDITURES (\$1000's)</b>	1,293	1,011	-	282	123	124	+	1	423	370	-	53
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. AMT OF DIRECT EXPEND. FROM FILM PROD IN HI (MIL)					100	130	+	30	100	225	+	125
2. IMPACT ON STATE ECON BY FILM PROD DIRECT EXP (MIL)					159.8	207.7	+	47.9	159.8	319.6	+	159.8
3. TAX REV GEN BY DIRECT EXPEND FRM FILM PROD (MIL)					12.9	16.8	+	3.9	12.9	25.8	+	12.9
4. FILM PROJ THAT APPL FOR & QUAL FOR ACT 88 TAX CRED					15	26	+	11	25	27	+	2
5. AMT OF DIR EXPEND FROM QUAL ACT 88 PROJECTS (MIL)					111.8	95.9	-	15.9	125	209.2	+	84.2
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # OF CONTR TO LOCAL EDUC INST FR ACT 88 PROJ					20	26	+	6	20	27	+	7
2. LOCAL FILM FESTIVALS					20	27	+	7	20	27	+	7
3. NONPROFIT ARTS/CULT ORGS/BUS BENEF ECON ACT BY CID					150	150	+	0	150	150	+	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. #FILM/TV/COMMERCIAL PROJS FILMING IN STATE YEARLY					140	128	-	12	140	140	+	0
2. # OF FILM PERMITS PROCESSED ANNUALLY					1500	1419	-	81	1500	1500	+	0
3. # LOCALLY FOCUSED EDUCATIONAL & PROMOTNL EVENTS					12	9	-	3	12	9	-	3
4. #OVERSEAS SALES/MKTG/PROMO ATTND/SPON/SPPT BY CID					1	4	+	3	1	2	+	1
5. # OF ARTS, CULTURE AND FILM INQUIRIES					3604	3600	-	4	3604	3604	+	0



## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: CREATIVE INDUSTRIES DIVISION**

**01 01 02  
BED 105**

### **PART I - EXPENDITURES AND POSITIONS**

The expenditure variance is due to budget restrictions.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. The variance of \$30 million is due to higher expenditures from film productions.

Item 2. The variance of \$47.9 million is due to the increased amount of direct expenditures from film productions.

Item 3. The variance of \$3.9 million is due to the increased amount of direct expenditures from film productions.

Item 4. The variance of 11 projects is due to more productions that filmed in Hawaii and were able to qualify for the tax credits.

Item 5. The variance of \$15.9 million is because the projects that qualified for Act 88 were smaller budgeted projects.

### **PART III - PROGRAM TARGET GROUPS**

Item 1. The variance is due to more productions than anticipated chose to contribute to schools.

Item 2. The variance is due to the continued success of smaller film festivals.

### **PART IV - PROGRAM ACTIVITIES**

Item 3. For FY 2008-09, the decrease in actual events from 12 to 9 was due to an increase in overseas events co-sponsored and/or supported by the Arts and Culture Development Branch (ACDB). For FY 2009-10, a decrease in estimated events from 12 to 9 is due to additional duties required of ACDB staff to assist in processing film permits for the Film Industry Branch due to the reduction-in-force.

Item 4. For FY 2008-09, the increase in actual events from 1 to 4 was due to additional overseas events co-sponsored and/or supported by ACDB. For FY 2009-10, an increase in estimated events from 1 to 2 is due to an additional event being co-sponsored and/or supported by ACDB.

## STATE OF HAWAII

PROGRAM TITLE:

FOREIGN TRADE ZONE

PROGRAM-ID:

BED-107

PROGRAM STRUCTURE NO: 010103

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	19.00	16.00	- 3.00	16	19.00	16.00	- 3.00	16	19.00	19.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,010	991	- 1,019	51	248	248	+ 0	0	1,900	1,900	+ 0	0
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	19.00	16.00	- 3.00	16	19.00	16.00	- 3.00	16	19.00	19.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	2,010	991	- 1,019	51	248	248	+ 0	0	1,900	1,900	+ 0	0
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. %VALUE INCR OF CARGO IN/OUT OF FTZ (EXCL SUBZONES)					5	NO DATA	- 5	100	3	3	+ 0	0
2. % INCR VALUE CARGO IN/OUT OF ALL SUBZONES					0	NO DATA	+ 0	0	3	3	+ 0	0
3. % INCR IN VALUE OF CARGO IN/OUT OF PIER 2 FACIL					0	NO DATA	+ 0	0	6	6	+ 0	0
4. # OF NEW FIRMS USING FTZ PROGRAM					30	NO DATA	- 30	100	30	30	+ 0	0
5. % INCR IN VALUE OF EXPORTS FROM ALL FTZ FACILITIES					0	NO DATA	+ 0	0	5	5	+ 0	0
6. INCR IN USERS' EMPLMT ATTRIB TO PARTIC IN FTZ PROG					60	NO DATA	- 60	100	60	60	+ 0	0
7. SATIS RATING BY FTZ USERS (1-5 SCALE)					NO DATA	NO DATA	+ 0	0	4	NO DATA	- 4	100
8. YEARLY SPECIAL FUND BAL (TOT REV LESS TOT EXP)					0	0	+ 0	0	0	0	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. FIRMS USING FTZ PROGRAM (NO.)					400	NO DATA	- 400	100	390	390	+ 0	0
2. COMPANIES THAT IMPORT/EXPORT DUTIABLE MERCHANDISE					525	NO DATA	- 525	100	500	500	+ 0	0
3. COMPANIES THAT MANUF USING DUTIABLE COMPONENTS					70	NO DATA	- 70	100	70	70	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. VALUE OF CARGO IN/OUT OF FTZ (EXCLUDING SUBZONES)					1850000	NO DATA	- 1850000	100	1800000	1800000	+ 0	0
2. VALUE OF CARGO IN/OUT OF SUBZONES					7000000	NO DATA	- 7000000	100	1800000	1800000	+ 0	0
3. VALUE OF CARGO IN/OUT OF PIER 2 FACILITY					60	NO DATA	- 60	100	70	70	+ 0	0
4. VALUE OF CARGO HANDLD FOR DEPT OF HOMELAND SEC					0	0	+ 0	0	0	0	+ 0	0
5. ADVERTISING/MARKETING EXPEND ZONE PROMOTION					75	6	- 69	92	50	50	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: FOREIGN TRADE ZONE**

**01 01 03  
BED 107**

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### **PART I - EXPENDITURES AND POSITIONS**

The position and expenditure variances in FY 09 were the result of the program trying to control operational expenditures to maintain parity with program revenue.

The position variances in the first quarter of FY 10 were the result of program trying to control operational expenditures to maintain parity with program revenue and the Governor's hiring freeze.

### **PART II - MEASURES OF EFFECTIVENESS**

Items 1, 4, 6 and 7. - No data. Data from FTZ operators statewide was unavailable.

### **PART III - PROGRAM TARGET GROUPS**

No data. Data from FTZ operators statewide was unavailable.

### **PART IV - PROGRAM ACTIVITIES**

Items 1, 2, 3, and 5. - No data. Data from FTZ operators statewide was unavailable.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

7/28/10

PROGRAM-ID: BED-142

PROGRAM STRUCTURE NO: 010104

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2008-09					THREE MONTHS ENDED 09-30-09					NINE MONTHS ENDING 06-30-10				
	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ACTUAL	+ CHANGE		%	BUDGETED	ESTIMATED	+ CHANGE		%
OPERATING COSTS															
POSITIONS	35.00	35.00	+	0.00	0	30.00	30.00	+	0.00	0	30.00	30.00	+	0.00	0
EXPENDITURES (\$1000's)	1,649	2,164	+	515	31	469	492	+	23	5	1,406	1,216	-	190	14
TOTAL COSTS															
POSITIONS	35.00	35.00	+	0.00	0	30.00	30.00	+	0.00	0	30.00	30.00	+	0.00	0
EXPENDITURES (\$1000's)	1,649	2,164	+	515	31	469	492	+	23	5	1,406	1,216	-	190	14
						FISCAL YEAR 2008-09					FISCAL YEAR 2009-10				
						PLANNED	ACTUAL	+ CHANGE		%	PLANNED	ESTIMATED	+ CHANGE		%
PART II: MEASURES OF EFFECTIVENESS															
1. % CONTRACTS & LTRS OF AGMT PROC/REVWD W/IN 10 DAYS						100	65	-	35	35	100	17	-	83	83
2. % CHNG IN AMT OF FED & NONSTATE GRANT FUNDS RECD						33	3	-	30	91	0	0	+	0	0
3. % ERROR-FREE SUMMARY WARRANT VOUCHERS PROCESSED						99	99	+	0	0	95	95	+	0	0
4. SERVER DOWNTIME AS % TOTAL OPERATIONAL TIME (<)						2.0	2.0	+	0	0	2.0	2.0	+	0	0
5. % DBEDT EMPLOYEES WORKING W/OUT FORMAL GRIEVANCE						98	99	+	1	1	98	99	+	1	1
PART III: PROGRAM TARGET GROUP															
1. STATE RESIDENT POPULATION (1000S)						1303	1291	-	12	1	1340	1300	-	40	3
2. STATE DE FACTO POPULATION (000S)						1406	NO DATA	-	1406	100	1484	NO DATA	-	1484	100
3. NUMBER OF DBEDT POSNS (PERMANENT & TEMPORARY)						258	300	+	42	16	258	304	+	46	18
PART IV: PROGRAM ACTIVITY															
1. # OF TESTIMONIES PRESENTED AT LEG HEARINGS						500	721	+	221	44	500	362	-	138	28
2. # OF REQUESTS FOR ALLOTMENT (A19) PREPARED						150	196	+	46	31	162	250	+	88	54
3. # OF IFBS AND RFPS ADVERTISED						42	9	-	33	79	22	4	-	18	82
4. # OF CONTRACTS & LETTERS OF AGMT EXECUTED						235	103	-	132	56	278	68	-	210	76
5. # OF SUMMARY WARRANT VOUCHERS PROCESSED						2000	1885	-	115	6	3000	1900	-	1100	37
6. AMT OF FED & NONSTATE GRANT FUNDS RECD (\$1000S)						13000	12127	-	873	7	13000	1300	-	11700	90
7. # OF FORMAL GRIEVANCES FILED ANNUALLY						5	4	-	1	20	5	11	+	6	120
8. # OF HR/PERSONNEL TRANSACTIONS PROCESSED ANNUALLY						1050	600	-	450	43	1050	750	-	300	29

## VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010

PROGRAM TITLE: GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT

01 01 04  
BED 142

### PART I - EXPENDITURES AND POSITIONS

The expenditure variance for FY 09 was primarily due to the transfers of \$542,560 to BED 142 from various programs to allocate the departmental legislative reduction, which was taken for the entire department in BED 142. This transfer was offset by the Governor's restriction in the amount of \$160,490 in BED 142 general funds.

The expenditure variance for the remaining three quarters in FY 10 are due to furlough savings.

### PART II - MEASURES OF EFFECTIVENESS

Item 1: The variance is a result of Letters of Agreement (LOA) no longer being required, resulting in a decrease in the number of contracts to be processed. Also, during varying times beginning in November 2009, programs were given procurement delegation to process their own LOA's.

Item 2: The variance resulted from the overstatement of the planned amount.

### PART III - PROGRAM TARGET GROUPS

Item 2: No data.

Item 3: The variance is due to an error in the planned FY 09 and FY 10 figures. Various positions were established due to the American Recovery and Reinvestment Act of 2009 (ARRA) funding and abolished due to the reduction-in-force (RIF).

### PART IV - PROGRAM ACTIVITIES

Item 1: The variance in FY 09 is due to an increase in the number of bills submitted. The variance in FY 10 is due to a decrease in the number of bills introduced in the House and Senate. Due to the time constraints in getting testimony approved by the Director, Deputy Director and Governor's policy, DBEDT management limited its comments/testimony to bills with higher impact.

Item 2: The variance is due to more allotments generated or required by the divisions/agencies in FY 09. The variance in FY 10 is due to the budget execution policy which required issuance of allotments for each appropriation on a quarter by quarter basis.

Item 3: The variance is due to programs issuing their own Invitation for Bids (IFB) and Request for Proposals due to the delegation of authority to procure to several DBEDT programs/agencies. Also, effective August 2009, the State Procurement Office began implementing IFBs into the Hawaii Electronic Procurement System (HePS) and since most programs have at least \$250,000 delegated authority, this program does not track these IFBs.

Item 4: The variances in FY 09 and FY 10 are due to the increased usage of the P-cards and DBEDT's change in policy regarding the use of LOAs.

Item 7. The variance in FY 09 are reflective of the actual number of grievances filed. The variance in FY 10 is due to an anticipated increase in grievances filed due to the RIF.

Item 8. The variance is due to minimal employee movements and only one pay adjustment.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE: TOURISM

7/28/10

PROGRAM-ID: BED-113

PROGRAM STRUCTURE NO: 0102

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10						
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%			
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	2.00	2.00	+	0.00	0	12.00	8.00	-	4.00	33	12.00	8.00	-	4.00	33
	140,064	121,011	-	19,053	14	34,602	12,248	-	22,354	65	104,061	113,984	+	9,923	10
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	2.00	2.00	+	0.00	0	12.00	8.00	-	4.00	33	12.00	8.00	-	4.00	33
	140,064	121,011	-	19,053	14	34,602	12,248	-	22,354	65	104,061	113,984	+	9,923	10

PART II: MEASURES OF EFFECTIVENESS	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10					
	PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%		
1. TOTAL VISITOR EXPENDITURES (\$ BILLIONS)	12.2	10.2	-	2	16	12.0	10.7	-	1.3	11
2. TOTAL TRANSIENT ACCOMMODATIONS TAX COLLECTION	232335	210613	-	21722	9	231777	238668	+	6891	3
3. TOTAL VISITOR DAYS	65.3	61.2	-	4.1	6	68.1	62.3	-	5.8	9
4. TOTAL VISITOR ARRIVALS	7.1	6.5	-	0.6	8	7.4	6.6	-	0.8	11
5. AIR SEATS (\$ MILLIONS)	8.7	8.9	+	0.2	2	10.024	9.0	-	1.024	10
6. HAWAII CONVENTION CENTER DELEGATE COUNT	96845	87865	-	8980	9	104000	60729	-	43271	42

PART III: PROGRAM TARGET GROUP	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10					
	PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%		
1. TOTAL LONG-HAUL TRAVEL VISITS - JAPAN (CALENDR YR)	17.3	NO DATA	-	17.3	100	16.2	NO DATA	-	16.2	100
2. TOTAL VISITOR ARRIVALS - US WEST	3120.9	2657	-	463.9	15	3120.9	2757.3	-	363.6	12
3. TOTAL VISITOR ARRIVALS - US EAST	1830.1	1586.8	-	243.3	13	1830.1	1523	-	307.1	17
4. TOTAL VISITOR ARRIVALS - JAPAN	1262.3	1112.4	-	149.9	12	1262.3	1157.8	-	104.5	8

PART IV: PROGRAM ACTIVITY	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10					
	PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%		
1. # SPORTING EVENTS ACTUALLY FUNDED	7	13	+	6	86	7	14	+	7	100
2. # PRODUCT ENRICHMT PROJECTS ACTUALLY FUNDED	131	142	+	11	8	125	118	-	7	6
3. # OF MAJOR FESTIVALS ACTUALLY FUNDED	8	7	-	1	13	8	6	-	2	25
4. # SPEECHES/PRESENTATIONS TO TOURISM STAKEHOLDERS	50	52	+	2	4	50	50	+	0	0
5. # OF STAKEHOLDER MEETINGS HELD	30	33	+	3	10	30	30	+	0	0
6. # OF PUBLICATIONS ISSUED	5	5	+	0	0	5	5	+	0	0

## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: TOURISM**

**01 02  
BED 113**

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### **PART I - EXPENDITURES AND POSITIONS**

The expenditure variance is due to fewer visitors staying in Hawaii which results in less Transient Accommodation Tax (TAT) revenues available for expenditure.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1: The variance is due to an overall decrease in visitor arrivals which resulted in decreases in expenditures, hotel occupancy (and tax collections) and visitor days.

### **PART III - PROGRAM TARGET GROUPS**

Item 1: No Data. This data is no longer tracked by the Travel Industry Association.

Items 2, 3 and 4: The economic downturn and instability of global financial markets resulted in less visitors traveling to Hawaii from these major market areas.

### **PART IV - PROGRAM ACTIVITIES**

Item 1: The variances are due to approval of funding for more sporting events by the Sports Investigative Committee than originally planned.

Item 3. The variance is due to a smaller number of festivals approved for funding than originally planned.

Item 5. The variance is the result of more meetings with stakeholders (e.g., tourism industry representatives) were conducted than originally planned.

## VARIANCE REPORT

PROGRAM TITLE:

AGRICULTURE

7/28/10

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0103

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	331.00	290.00	- 41.00	12	308.00	284.00	- 24.00	8	308.00	222.98	- 85.02	28
<b>EXPENDITURES (\$1000's)</b>	39,842	32,289	- 7,553	19	10,490	7,612	- 2,878	27	31,497	28,587	- 2,910	9
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	331.00	290.00	- 41.00	12	308.00	284.00	- 24.00	8	308.00	222.98	- 85.02	28
<b>EXPENDITURES (\$1000's)</b>	39,842	32,289	- 7,553	19	10,490	7,612	- 2,878	27	31,497	28,587	- 2,910	9
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
<b>PART II: MEASURES OF EFFECTIVENESS</b>					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
3. # INTERCEPTED INSECT SPECIES NOT OCCURRING IN HI					431	214	- 217	50	431	225	- 206	48
4. % OF AG PARK & NON-AG PARK LANDS IN PRODUCTIVE USE					88	87	- 1	1	88	87	- 1	1



**Intermediate Level Program**  
**No Narrative**  
**(See Lowest Level Programs for Explanation of Variances)**

## STATE OF HAWAII

PROGRAM TITLE:

FINANCIAL ASSISTANCE FOR AGRICULTURE

PROGRAM-ID:

AGR-101

PROGRAM STRUCTURE NO: 010301

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	10.00	8.00	- 2.00	20	9.00	7.00	- 2.00	22	9.00	7.00	- 2.00	22
EXPENDITURES (\$1000's)	6,105	5,040	- 1,065	17	1,510	1,339	- 171	11	4,580	4,531	- 49	1
<b>TOTAL COSTS</b>												
POSITIONS	10.00	8.00	- 2.00	20	9.00	7.00	- 2.00	22	9.00	7.00	- 2.00	22
EXPENDITURES (\$1000's)	6,105	5,040	- 1,065	17	1,510	1,339	- 171	11	4,580	4,531	- 49	1
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NUMBER OF LOANS APPROVED					25	34	+ 9	36	25	25	+ 0	0
2. TOTAL DOLLAR AMOUNT OF LOANS APPROVED (000'S)					4500	4840	+ 340	8	4500	4500	+ 0	0
3. ANNUAL ACREAGE CULTIVATED BY BORROWERS					45000	39845	- 5155	11	45000	40000	- 5000	11
4. AMT OF EMPLOYEES OR LABORERS UTILIZED BY BORROWER					1300	1035	- 265	20	1300	1000	- 300	23
5. AMT OF AG OR AQUA FIN PROVIDED BY OTHR CRED SOURCS					1000	0	- 1000	100	1000	1000	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. POTENTIAL QUALIFIED FARMERS/NEW FARMERS					5500	7521	+ 2021	37	5500	7500	+ 2000	36
2. POTENTIAL QUALIFIED AQUACULTURISTS					80	70	- 10	13	80	70	- 10	13
3. AGRICULTURE/AQUACULTURE COOPERATIVES					25	25	+ 0	0	25	25	+ 0	0
4. COMMERCIAL BANKS					10	5	- 5	50	10	5	- 5	50
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NUMBER OF PUBLIC RELATIONS CONTACTS					75	8	- 67	89	75	75	+ 0	0
2. NO. OF SERVICING CONTACTS WITH EXISTING BORROWERS					1200	1112	- 88	7	1200	1200	+ 0	0
3. NUMBER OF LOAN INQUIRIES RECEIVED BY THE DIVISION					325	174	- 151	46	325	200	- 125	38
4. AMOUNT COLLECTED BY PROGRAM (000'S)					2.75	2.3	- 0.45	16	2.75	2.25	- 0.5	18

## VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010

**PROGRAM TITLE: FINANCIAL ASSISTANCE FOR AGRICULTURE**

01 03 01  
AGR 101

### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 09 were due to position vacancies and the lower dollar amount in loans granted. Positions were vacant due to hiring freeze.

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1- FY 09 variance reflects increase in loan demand due to low interest rates and tightening of credit by commercial lenders.

Item 3- FY 09 decline in acreage cultivated may be the result of farmers not utilizing less productive lands in response to less demand for products due to the slow economy. FY 10 projection decreased due to same reason.

Item 4- FY 09 decline in employees utilized by borrowers related to Item 3 above, decrease in acreage cultivated requires decreased amount of employees. FY 10 projection decreased for same reason.

Item 5- Variance due to the tightening of credit market combined with the general reluctance of commercial lenders to fund agricultural and aquacultural operations.

### **PART III - PROGRAM TARGET GROUPS**

Item 1- The amount of farms in FY 09 increased by 2,021 based on agricultural census data. Projected data for FY 10 reflects this increase.

Item 2- The amount of aquaculture operations in the State has decreased by 10 according to the State Data Book. Projected data for FY 10 reflects this decrease.

Item 4- The amount of banks chartered in the State has decreased to five banks. Projected data for FY 10 reflects this decrease.

### **PART IV - PROGRAM ACTIVITIES**

Item 1- FY 09 decrease in public relations contacts due to lack of available personnel to conduct outreach. Existing personnel focused work on duties related to the increased loan demand.

Item 3- The decrease in the number of loan inquiries received by the division may have been due to the slow economy causing agricultural operations to attempt to reduce debt and contract rather than expand. Projected data for FY 10 reflects a continued slow economy.

Item 4- The decrease in amount collected by the program is another reflection of the slow economy. There has been an increase in delinquencies and late payments. Projected data for FY 10 reflects a continued slow economy.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE: PRODCVTY IMPRVMT &amp; MGT ASSTNCE FOR AGR

7/28/10

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010302

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	203.00	178.00	- 25.00	12	190.00	177.00	- 13.00	7	190.00	142.98	- 47.02	25
EXPENDITURES (\$1000's)	15,842	12,323	- 3,519	22	4,834	3,339	- 1,495	31	14,485	13,078	- 1,407	10
<b>TOTAL COSTS</b>												
POSITIONS	203.00	178.00	- 25.00	12	190.00	177.00	- 13.00	7	190.00	142.98	- 47.02	25
EXPENDITURES (\$1000's)	15,842	12,323	- 3,519	22	4,834	3,339	- 1,495	31	14,485	13,078	- 1,407	10
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % OF TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRI					.009	.0075	- 0.0015	17	.009	.0078	- 0.0012	13
3. # INTERCEPTED INSECT SPECIES NOT OCCURRING IN HI					431	214	- 217	50	431	214	- 217	50

**Intermediate Level Program**  
**No Narrative**  
**(See Lowest Level Programs for Explanation of Variances)**

## STATE OF HAWAII

PROGRAM TITLE:

PLANT PEST AND DISEASE CONTROL

PROGRAM-ID:

AGR-122

PROGRAM STRUCTURE NO: 01030201

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	147.00	124.00	- 23.00	16	134.00	123.00	- 11.00	8	134.00	96.00	- 38.00	28
<b>EXPENDITURES (\$1000's)</b>	10,584	7,555	- 3,029	29	3,491	2,162	- 1,329	38	10,475	9,391	- 1,084	10
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	147.00	124.00	- 23.00	16	134.00	123.00	- 11.00	8	134.00	96.00	- 38.00	28
<b>EXPENDITURES (\$1000's)</b>	10,584	7,555	- 3,029	29	3,491	2,162	- 1,329	38	10,475	9,391	- 1,084	10

	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>								
1. % TTL PARCELS INSP INTERCEPTED AS PROHIB/RESTRICT	0.009	.0075	- 0.0015	17	0.009	.0078	- 0.0012	13
2. NUMBER OF INSECT INTERCEPTIONS	1964	1830	- 134	7	1965	1920	- 45	2
3. # INTERCEPTED INSECT SPECIES NOT OCCURRING IN HI	431	214	- 217	50	431	225	- 206	48
4. # OF PROHIBITED ANIMALS INTERCEPTED OR CONFISCATED	1200	985	- 215	18	1200	1035	- 165	14
5. % OF CHEM/MECH CNTRL PROJ UNDER HI LEVEL OF CNTRL	20	40	+ 20	100	20	40	+ 20	100
6. % BIO CONTROL PROJECTS UNDER A HIGH LEVEL OF CNTRL	30	30	+ 0	0	35	50	+ 15	43
7. COMPLIANCE RATE CERT NURS & PT OF ORIGIN EXP INSP	35	100	+ 65	186	37	100	+ 63	170

<b>PART III: PROGRAM TARGET GROUP</b>								
1. NUMBER OF AIRCRAFT AND SHIP ARRIVALS (THOUSANDS)	38.574	35.525	- 3.049	8	40.131	37.3	- 2.831	7
2. NUMBER PASSENGER ARRIVALS BY AIR AND SEA (THOUS)	5838.7	5585.6	- 253.1	4	5838.7	5865	+ 26.3	0
3. NO. OF REGULATED BAGGAGE, CARGO AND MAIL (THOUS)	0.119	.229	+ 0.11	92	0.119	.215	+ 0.096	81
4. NUMBER OF IMPORT PERMIT REQUESTS	982	1413	+ 431	44	982	1485	+ 503	51
5. NUMBER OF SITES REQUIRING POST-ENTRY INSPECTIONS	1224	334	- 890	73	1224	500	- 724	59
6. NUMBER OF CERTIFIED NURSERIES	300	250	- 50	17	300	265	- 35	12
7. NUMBER OF NEW NOXIOUS WEED INFESTATIONS	1	1	+ 0	0	1	1	+ 0	0
8. NUMBER OF WIDESPREAD NOXIOUS WEED INFESTATIONS	40	40	+ 0	0	40	40	+ 0	0
9. NO. OF NEW INFESTATIONS OF INSECTS AND OTHER PESTS	10	13	+ 3	30	10	10	+ 0	0
10. NO. OF WIDESPREAD INFEST OF INSECTS AND OTHER PEST	5	5	+ 0	0	5	5	+ 0	0

<b>PART IV: PROGRAM ACTIVITY</b>								
1. NUMBER OF AIRCRAFT AND SHIPS MONITORED (THOUSANDS)	39345	35525	- 3820	10	40131	38000	- 2131	5
2. NUMBER OF AIR AND SEA PASSENGERS MONITORED (THOUS)	5838.6	5585.6	- 253	4	6422.4	5865	- 557.4	9
3. NO. OF BAGGAGE, CARGO, AND MAIL INSPECTED (THOUS)	15018	7966	- 7052	47	15018	8365	- 6653	44
4. NUMBER OF POST-ENTRY INSPECTIONS CONDUCTED	892	1074	+ 182	20	895	1125	+ 230	26
5. NUMBER OF CERTIFIED NURSERY INSPECTIONS	449	505	+ 56	12	445	530	+ 85	19
6. NUMBER OF CHEM/MECH CNTRL AND ERADICATION PROJECTS	10	10	+ 0	0	10	10	+ 0	0
7. BIOLOGICAL CONTROL OF PEST SPECIES (# OF PROJECTS)	10	7	- 3	30	10	7	- 3	30
8. SEED TEST AND ANALYSIS (NUMBER OF LOTS)	250	225	- 25	10	250	225	- 25	10

## VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010

01 03 02 01  
AGR 122

**PROGRAM TITLE: PLANT PEST AND DISEASE CONTROL**

### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 09 were due to vacant positions and less than expected special and federal fund expenditures.

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

Items 1, 3, 4, 5- These measures are variable and unpredictable. Many factors affect the measures such as the economy, weather, current trends in pet shop sales, risk assessments, and the efficacy of the pest control programs on the farms.

Item 7- Variance due to increased inspections to comply with restrictions of destinations of nursery items.

### **PART III - PROGRAM TARGET GROUPS**

Items 3, 4, 5- These measures are variable and unpredictable. Many factors affect the measures such as the economy, weather, current trends in pet shop sales, risk assessments, and the efficacy of the pest control programs on the farms.

Item 6- Number of certified nurseries declined, possibly due to economic conditions.

Item 9- This measure is variable as the category captures a wide range of activities in the program from the identification of pests collected by staff, the general public, as well as University staff and the commercial pest control industry. After investigation, some pests are found to be widespread while others may be of very limited distribution.

### **PART IV - PROGRAM ACTIVITIES**

Item 1, 3, 4- These measures are variable and unpredictable. Many factors affect the measures such as the economy, weather, current trends

in pet shop sales, risk assessments, and the efficacy of the pest control programs on the farms.

Item 5- Variance due to increased inspections to comply with restrictions of destinations of nursery items.

Item 7- This measure is highly variable as it is dependent upon having suitable biocontrol agents for existing pests.

Item 8- This measure is difficult to predict as it is dependent on the activity levels of the industry.

## VARIANCE REPORT

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	56.00	54.00	- 2.00	4	56.00	54.00	- 2.00	4	56.00	46.98	- 9.02	16
<b>EXPENDITURES (\$1000's)</b>	5,258	4,768	- 490	9	1,343	1,177	- 166	12	4,010	3,687	- 323	8
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	56.00	54.00	- 2.00	4	56.00	54.00	- 2.00	4	56.00	46.98	- 9.02	16
<b>EXPENDITURES (\$1000's)</b>	5,258	4,768	- 490	9	1,343	1,177	- 166	12	4,010	3,687	- 323	8
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
2. NUMBER OF RABIES CASES IN THE COMMUNITY					0	0	+ 0	0	0	0	+ 0	0
3. NO. OF DISEASE-FREE STATUS OBTAINED & MAINTAINED					4	4	+ 0	0	4	4	+ 0	0
4. NO.OF DISEASE CNTRL PROG W/ PUBLIC HEALTH IMPACT					6	6	+ 0	0	6	6	+ 0	0



**Intermediate Level Program**  
**No Narrative**  
**(See Lowest Level Programs for Explanation of Variances)**

## STATE OF HAWAII

PROGRAM TITLE:

RABIES QUARANTINE

PROGRAM-ID:

AGR-131

PROGRAM STRUCTURE NO: 0103020201

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	32.00	30.00	- 2.00	6	35.30	33.30	- 2.00	6	35.30	33.30	- 2.00	6
<b>EXPENDITURES (\$1000's)</b>	3,053	2,795	- 258	8	806	667	- 139	17	2,400	2,299	- 101	4
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	32.00	30.00	- 2.00	6	35.30	33.30	- 2.00	6	35.30	33.30	- 2.00	6
<b>EXPENDITURES (\$1000's)</b>	3,053	2,795	- 258	8	806	667	- 139	17	2,400	2,299	- 101	4
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. NUMBER OF RABIES CASES IN THE COMMUNITY					0	0	+ 0	0	0	0	+ 0	0
2. NUMBER OF ALIEN PESTS DETECTED					1	0	- 1	100	1	0	- 1	100
<b>PART III: PROGRAM TARGET GROUP</b>												
1. DOGS AND CATS QUARANTINED					1495	1690	+ 195	13	1495	1500	+ 5	0
2. POPULATION OF HAWAII					1285000	1295178	+ 10178	1	1285000	1295200	+ 10200	1
<b>PART IV: PROGRAM ACTIVITY</b>												
1. NUMBER OF DOGS AND CATS QUARANTINED - 120 DAYS					585	653	+ 68	12	585	600	+ 15	3
2. NO. OF DOGS & CATS QUARANTINED- LESS THAN 120 DAYS					910	1037	+ 127	14	910	1000	+ 90	10
3. NO. QUAL DOGS & CATS RELEASD AFTER INSP UPON ARRVL					7450	7763	+ 313	4	7450	7500	+ 50	1
4. NUMBER OF DOGS AND CATS QUARANTINED - TRANSIT					300	357	+ 57	19	300	325	+ 25	8
5. NO. OF SATELLITE & APPROVED VET FACILITY MONITORED					33	33	+ 0	0	33	33	+ 0	0
6. NO. OF DOGS & CATS SAMPLED FOR EXTERNAL PARASITES					2	2	+ 0	0	2	2	+ 0	0
7. NO. OF DOGS & CATS SAMPLED FOR INTERNAL PARASITES					2308	2400	+ 92	4	2308	2400	+ 92	4
8. NO. SVC DOGS & ELIGIBLE GUIDE DOG ENTRIES PROCESSED					255	297	+ 42	16	260	295	+ 35	13

## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

01 03 02 02 01  
AGR 131

**PROGRAM TITLE: RABIES QUARANTINE**

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### **PART I - EXPENDITURES AND POSITIONS**

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 2- No alien pests were detected during FY 09.

### **PART III - PROGRAM TARGET GROUPS**

Item 1- Increase in number of dogs and cats quarantined due to increased number of pets not meeting the requirements for direct release.

### **PART IV - PROGRAM ACTIVITIES**

Items 1, 2, 4, 8- The increase in the number of dogs and cats entering the State accounts for the increases in program activity values. Factors for the increase cannot be determined.

## STATE OF HAWAII

**PROGRAM TITLE:**

ANIMAL DISEASE CONTROL

**PROGRAM-ID:**

AGR-132

**PROGRAM STRUCTURE NO:** 0103020202

**REPORT V61**

7/28/10

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## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

01 03 02 02 02  
AGR 132

**PROGRAM TITLE: ANIMAL DISEASE CONTROL**

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### **PART I - EXPENDITURES AND POSITIONS**

FY 09 - Variance in expenditures was due to the amount of federal funds received was less than budgeted.

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 3- Number of cooperative agreements with the federal government has increased.

### **PART III - PROGRAM TARGET GROUPS**

Item 1- The number of cattle producers has increased from 850 to 1100.

### **PART IV - PROGRAM ACTIVITIES**

Item 1- Decrease in goat and swine imports

Item 2- Downward trend in poultry industry has stabilized, resulting in a higher than projected imports of chicks.

Item 3- Increased number of dogs and cats entering the State

Item 6- Reduced number of diseases detected or reported that required epidemiological investigation.

Item 7- Decrease due to anaplasmosis testing following a three-year cycle of low-low-high.

Item 8- Downward trend in poultry industry has stabilized, resulting in increased surveillance of poultry flocks.

Item 9- Decrease due to discontinued testing for Equine Infectious Anemia also decrease in cattle imports resulted in less Brucella testing.

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	66.00	55.00	- 11.00	17	57.00	54.00	- 3.00	5	57.00	35.00	- 22.00	39
EXPENDITURES (\$1000's)	9,786	7,461	- 2,325	24	2,101	1,473	- 628	30	6,299	6,280	- 19	0
TOTAL COSTS												
POSITIONS	66.00	55.00	- 11.00	17	57.00	54.00	- 3.00	5	57.00	35.00	- 22.00	39
EXPENDITURES (\$1000's)	9,786	7,461	- 2,325	24	2,101	1,473	- 628	30	6,299	6,280	- 19	0
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. PERCENTAGE OF REQUESTS FOR INFORMATION FULFILLED					99	99	+ 0	0	99	99	+ 0	0
2. RETURN ON INVESTMENT RATE ON TRADE SHOWS					15	15	+ 0	0	15	15	+ 0	0
3. NUMBER OF TRADE LEADS GENERATED					400	400	+ 0	0	400	400	+ 0	0

**Intermediate Level Program**  
**No Narrative**  
**(See Lowest Level Programs for Explanation of Variances)**

## STATE OF HAWAII

**PROGRAM TITLE:**

**FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT**

**PROGRAM-ID:**

LNR-172

PROGRAM STRUCTURE NO: 01030301

**REPORT V61**

**7/28/10**

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## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: FORESTRY - RESOURCE MANAGEMENT & DEVELOPMENT**

**01 03 03 01  
LNR 172**

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### **PART I - EXPENDITURES AND POSITIONS**

FY 09: Position variance was due to inability to fill vacancies. Actual expenditures were lower than budgeted because of lower than anticipated costs for the re-vegetation and re-forestation efforts following the Maui Kula Forest Reserve Fire.

FY 10: Position variance was due to inability to fill vacancies. Actual expenditures were lower than budgeted in the first quarter because of intentional delays in processing large contracts and encumbrances pending confirmation that revenues were going to be available to support personnel and operations through remainder of the year.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 4: Landowners, organizations, and communities that were assisted was greater than the goal due to an unusual amount of public events and outreach efforts to promote several existing programs.

### **PART III - PROGRAM TARGET GROUPS**

No significant variance.

### **PART IV - PROGRAM ACTIVITIES**

Item 4: Staff planned and organized workshops in each county that attracted many more interested landowners than normal to obtain information on landowner assistance programs. The county workshops were a more effective method to inform landowners of programs.



## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: QUALITY AND PRICE ASSURANCE**

**01 03 03 02  
AGR 151**

### **PART I - EXPENDITURES AND POSITIONS**

Variance in FY 09 expenditures were due to less than expected expenditures from the Certification Services Revolving Fund and less than expected funds passing through the Commodities Temporary Deposit and Milk Producers Settlement trust funds.

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 6- Measure is variable and will fluctuate from year to year, depending on milk production.

### **PART III - PROGRAM TARGET GROUPS**

Item 3- Error in planned data. Correct planned number should be 30.

### **PART IV - PROGRAM ACTIVITIES**

Item 1- Increased certification requests for fruits and vegetables and coffee.

Item 2- Reduced number of enforcement activities due to increased certification inspection demands.

Item 3- Current economic conditions may be causing the decrease in businesses that require licensing.

Item 4- Increased number of milk distributors requiring license.

Item 7- Pesticide samples analyzed reported by Pesticides Branch, feed samples analyzed on complaint basis only.

## STATE OF HAWAII

PROGRAM TITLE:

AGRICULTURAL DEVELOPMENT &amp; MARKETING

PROGRAM-ID:

AGR-171

PROGRAM STRUCTURE NO: 01030303

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	18.00	15.00	- 3.00	17	17.00	16.00	- 1.00	6	17.00	6.00	- 11.00	65
EXPENDITURES (\$1000's)	2,084	1,296	- 788	38	385	283	- 102	26	1,154	1,019	- 135	12
<b>TOTAL COSTS</b>												
POSITIONS	18.00	15.00	- 3.00	17	17.00	16.00	- 1.00	6	17.00	6.00	- 11.00	65
EXPENDITURES (\$1000's)	2,084	1,296	- 788	38	385	283	- 102	26	1,154	1,019	- 135	12
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. PERCENTAGE OF REQUESTS FOR INFORMATION FULFILLED.					99	99	+ 0	0	99	99	+ 0	0
2. % SCHED REL TIME MET FOR PRE-SPECIFIED PUBLICATION					99	99	+ 0	0	99	99	+ 0	0
3. RETURN ON INVEST RATE ON TRADE SHOWS (RATIO)					15	15	+ 0	0	15	15	+ 0	0
4. NUMBER OF TRADE LEADS GENERATED					400	400	+ 0	0	400	400	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. PRODUCERS AND PROCESSORS OF AGRICULTURAL PRODUCTS					5400	5400	+ 0	0	5400	5400	+ 0	0
2. GOVERNMENT, UNIV AND AGRICULTURAL INPUT SUPPLIERS					200	200	+ 0	0	200	200	+ 0	0
3. WHOLESALERS AND RETAILERS OF AGRICULTURAL PRODUCTS					700	700	+ 0	0	700	700	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. COLLECT, COMPILE & PUBLISH CROP AND LVSTK REPORTS					50000	50000	+ 0	0	50000	50000	+ 0	0
2. TEL AND MAIL SURV INTERVIEWS AND PUB OF STAT RPTS					15000	15000	+ 0	0	15000	13000	- 2000	13
3. DISSEMINATE CROP AND LIVESTOCK INFORMATION					1500	1400	- 100	7	1500	600	- 900	60
5. COLLECT, COMPILE, PUBLISH AND DISSEMINATE MKT INFO					400	386	- 14	4	400	150	- 250	63
6. CONDUCT ECON AND MKT STUDIES AND PROG EVALUATION					5	5	+ 0	0	5	2	- 3	60
7. PROPOSAL ASSES & OUTREACH AG COMM AND RES & DEV					12	12	+ 0	0	12	12	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: AGRICULTURAL DEVELOPMENT & MARKETING**

**01 03 03 03  
AGR 171**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 09 due to position vacancies and restrictions on contracts.

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

No significant variances.

### **PART III - PROGRAM TARGET GROUPS**

No significant variances.

### **PART IV - PROGRAM ACTIVITIES**

Items 2, 3, 5, 6- FY 10 variances due to staff layoffs.

## STATE OF HAWAII

PROGRAM TITLE:

GENERAL SUPPORT FOR AGR

PROGRAM-ID:

PROGRAM STRUCTURE NO: 010304

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	52.00	49.00	- 3.00	6	52.00	46.00	- 6.00	12	52.00	38.00	- 14.00	27
EXPENDITURES (\$1000's)	8,109	7,465	- 644	8	2,045	1,461	- 584	29	6,133	4,698	- 1,435	23
TOTAL COSTS												
POSITIONS	52.00	49.00	- 3.00	6	52.00	46.00	- 6.00	12	52.00	38.00	- 14.00	27
EXPENDITURES (\$1000's)	8,109	7,465	- 644	8	2,045	1,461	- 584	29	6,133	4,698	- 1,435	23
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. % CHANGE OF TOTAL VALUE OF CROPS AND LIVESTOCK					1	NO DATA	- 1	100	1	NO DATA	- 1	100
2. # OF ACRES RECLASSIFIED FROM AGR TO URBAN USE					150	NO DATA	- 150	100	150	NO DATA	- 150	100
3. LANDS IRRIGATED BY STATE SYSTEMS					12570	11365	- 1205	10	12570	11365	- 1205	10
4. PLANTATION LANDS CONVERT/PROTECT FOR DIV AGR PROT					NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

**Intermediate Level Program**  
**No Narrative**  
**(See Lowest Level Programs for Explanation of Variances)**

## STATE OF HAWAII

PROGRAM TITLE:

AGRICULTURAL RESOURCE MANAGEMENT

PROGRAM-ID:

AGR-141

PROGRAM STRUCTURE NO: 01030401

## VARIANCE REPORT

REPORT V61

7/28/10

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2008-09					THREE MONTHS ENDED 09-30-09					NINE MONTHS ENDING 06-30-10				
	BUDGETED	ACTUAL	± CHANGE			BUDGETED	ACTUAL	± CHANGE			BUDGETED	ESTIMATED	± CHANGE		
					%					%					%
OPERATING COSTS															
POSITIONS	23.00	21.00	-	2.00	9	23.00	19.00	-	4.00	17	23.00	23.00	+	0.00	0
EXPENDITURES (\$1000's)	2,845	2,493	-	352	12	736	581	-	155	21	2,209	2,079	-	130	6
TOTAL COSTS															
POSITIONS	23.00	21.00	-	2.00	9	23.00	19.00	-	4.00	17	23.00	23.00	+	0.00	0
EXPENDITURES (\$1000's)	2,845	2,493	-	352	12	736	581	-	155	21	2,209	2,079	-	130	6
						FISCAL YEAR 2008-09					FISCAL YEAR 2009-10				
						PLANNED	ACTUAL	± CHANGE			PLANNED	ESTIMATED	± CHANGE		
PART II: MEASURES OF EFFECTIVENESS															
1. LANDS IRRIGATED BY DEPT OF AG IRRIG SYS (ACRES)						12570	11365	-	1205	10	12570	11365	-	1205	10
2. IRRIGATION WATER SERVED AS % DEMAND IN DEPT SYS						95	95	+	0	0	95	95	+	0	0
3. LANDS LEASED IN AG PARK & NON-AG PARK LND (ACRES)						8200	7688	-	512	6	8400	7700	-	700	8
4. % OF AG PARK & NON-AG PARK LANDS IN PRODUCTIVE USE						88	87	-	1	1	88	87	-	1	1
PART III: PROGRAM TARGET GROUP															
1. FARMS SERVED BY DEPT OF AG IRRIG SYSTEMS						595	550	-	45	8	595	550	-	45	8
2. FARMS LEASED ON DEPT OF AG LANDS						400	332	-	68	17	420	350	-	70	17
3. FARMS PROCESSING PRODUCE AT STATE FACILITY						12	12	+	0	0	12	12	+	0	0
PART IV: PROGRAM ACTIVITY															
1. NO. AG WATER DEV STUDIES/INVESTIGATION & IMP PROJ						30	36	+	6	20	30	36	+	6	20
2. AG LAND AWARDS ADMINISTERED (# OF TRANSACTIONS)						415	311	-	104	25	435	350	-	85	20
3. NUMBER OF NEW WATER SERVICES INSTALLED						10	17	+	7	70	10	10	+	0	0
4. PIPELINE AND DITCHES MAINTAINED (MILES)						94	94	+	0	0	94	94	+	0	0
5. PROCESSING FACILITIES MANAGED						2	2	+	0	0	2	2	+	0	0
6. AGRICULTURAL LAND LESSEES COUNSELED						60	60	+	0	0	80	70	-	10	13
7. NO. OF AG LAND FIELD INSPECTIONS CONDUCTED						150	160	+	10	7	170	160	-	10	6



## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: AGRICULTURAL RESOURCE MANAGEMENT**

**01 03 04 01  
AGR 141**

### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 09 were due to vacant positions and less than expected expenditures from the Irrigation System revolving fund and Agricultural Park special fund.

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

No significant variances.

### **PART III - PROGRAM TARGET GROUPS**

Item 2- Variance due to less than anticipated land transfers into the Non-Agricultural Park Land Program from the Department of Land and Natural Resources.

### **PART IV - PROGRAM ACTIVITIES**

Item 1- Program implemented more CIP projects than anticipated.

Item 2- Variance due to less than anticipated land transfers into the Non-Agricultural Park Land Program from the Department of Land and Natural Resources.

Item 3- Increased number of new agricultural operations requesting water service from program.



## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: AGRIBUSINESS DEVELOPMENT AND RESEARCH**

**01 03 04 02  
AGR 161**

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### **PART I - EXPENDITURES AND POSITIONS**

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

Items 3, 5- More than anticipated projects were implemented during FY 09.

### **PART III - PROGRAM TARGET GROUPS**

No significant variances.

### **PART IV - PROGRAM ACTIVITIES**

Items 2, 3- More than anticipated projects were implemented during FY 09.

## STATE OF HAWAII

PROGRAM TITLE:

GENERAL ADMINISTRATION FOR AGRICULTURE

PROGRAM-ID:

AGR-192

PROGRAM STRUCTURE NO: 01030403

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	29.00	28.00	- 1.00	3	29.00	27.00	- 2.00	7	29.00	15.00	- 14.00	48
<b>EXPENDITURES (\$1000's)</b>	1,763	1,809	+ 46	3	448	445	- 3	1	1,343	1,118	- 225	17
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	29.00	28.00	- 1.00	3	29.00	27.00	- 2.00	7	29.00	15.00	- 14.00	48
<b>EXPENDITURES (\$1000's)</b>	1,763	1,809	+ 46	3	448	445	- 3	1	1,343	1,118	- 225	17
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. % CHANGE OF TOTAL VALUE OF CROPS AND LIVESTOCK					1	NO DATA	- 1	100	1	NO DATA	- 1	100
2. # OF ACRES RECLASSIFIED FROM AG TO URBAN USE					150	NO DATA	- 150	100	150	NO DATA	- 150	100
3. % PERSONNEL ACTIONS PROCESSED WITHIN PAYROLL CYCLE					95	NO DATA	- 95	100	95	NO DATA	- 95	100
4. % OF VENDOR PAYMENTS MADE WITHIN 30 DAYS					95	NO DATA	- 95	100	95	NO DATA	- 95	100
5. % OF DATA PROCESSING REQUESTS COMPLETED					85	NO DATA	- 85	100	85	NO DATA	- 85	100
<b>PART III: PROGRAM TARGET GROUP</b>												
1. TOTAL ACRES IN DIVERSIFIED CROPS AND LIVESTOCK					1240000	NO DATA	- 1240000	100	1240000	NO DATA	- 1240000	100
2. DIVERSIFIED FARM OPERATORS AND FARM WORKERS (#)					7000	NO DATA	- 7000	100	7050	NO DATA	- 7050	100
3. INVENTORY OF IMPORTANT AG LANDS (ACRES)					NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0
4. EMPLOYEES (NUMBER)					415	417	+ 2	0	415	390	- 25	6
5. DIVISIONS (NUMBER)					6	6	+ 0	0	6	6	+ 0	0
6. BRANCHES (NUMBER)					12	12	+ 0	0	12	12	+ 0	0
7. ATTACHED AGENCIES (NUMBER)					1	1	+ 0	0	1	1	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # LAND USE PERMIT APPL REVIEWED AFFECTING AG LANDS					25	NO DATA	- 25	100	25	NO DATA	- 25	100
2. NUMBER OF PERSONNEL ACTIONS PROCESSED					2000	NO DATA	- 2000	100	2000	NO DATA	- 2000	100
3. NUMBER OF PURCHASE ORDERS PROCESSED					4600	NO DATA	- 4600	100	4600	NO DATA	- 4600	100
4. NUMBER OF PETTY CASH CHECKS PROCESSED					1000	NO DATA	- 1000	100	1000	NO DATA	- 1000	100
5. NUMBER OF DATA PROCESSING REQUESTS RECEIVED					600	NO DATA	- 600	100	600	NO DATA	- 600	100

## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: GENERAL ADMINISTRATION FOR AGRICULTURE**

**01 03 04 03  
AGR 192**

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### **PART I - EXPENDITURES AND POSITIONS**

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

No data collected.

### **PART III - PROGRAM TARGET GROUPS**

No data collected.

### **PART IV - PROGRAM ACTIVITIES**

No data collected.

## STATE OF HAWAII

PROGRAM TITLE:

FISHERIES AND AQUACULTURE

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0104

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	18.00	18.00	+	0.00	0	18.00	18.00	+	0.00	0	18.00	7.00	-	11.00	61
EXPENDITURES (\$1000's)	2,603	2,205	-	398	15	624	786	+	162	26	1,873	1,415	-	458	24
TOTAL COSTS															
POSITIONS	18.00	18.00	+	0.00	0	18.00	18.00	+	0.00	0	18.00	7.00	-	11.00	61
EXPENDITURES (\$1000's)	2,603	2,205	-	398	15	624	786	+	162	26	1,873	1,415	-	458	24

	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. FISHERY PRODUCTION - OCEAN (MILLIONS OF POUNDS)	22	27	+	5	23	22	27	+	5	23
2. AQUACULTURE PRODUCTION (THOUSANDS OF POUNDS)	3700	3800	+	100	3	3800	3800	+	0	0
3. PRIMARY VALUE OF AQUACULTURE PRODUCTION (\$000)	28000	34650	+	6650	24	30000	34650	+	4650	16
4. TOTAL AQUACULTURE EMPLOYMENT	309	305	-	4	1	318	318	+	0	0

**Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)**

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

COMMERCIAL FISHERIES &amp; RESOURCE ENHANCEMENT

7/28/10

PROGRAM-ID:

LNR-153

PROGRAM STRUCTURE NO: 010402

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	10.00 1,876	10.00 1,658	+ -	0.00 218	0 12	10.00 476	10.00 652	+ +	0.00 176	0 37	10.00 1,428	5.00 1,078	- -	5.00 350	50 25
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	10.00 1,876	10.00 1,658	+ -	0.00 218	0 12	10.00 476	10.00 652	+ +	0.00 176	0 37	10.00 1,428	5.00 1,078	- -	5.00 350	50 25

PART II: MEASURES OF EFFECTIVENESS 1. FISHERY PRODUCTION-OCEAN (MILL. LBS) 2. PRIMARY VALUE OF FISHERY PRODUCTION (\$000) 3. FISHING REPTS COLL & PROCESSD AS % TOTAL REPTS DUE 4. SPECIES SUCCESSFULLY SPAWNED/RAISED IN CAPTIVITY 5. TOTAL CATCH MHI BOTTOMFISH/TOTAL ALLOWABLE CATCH	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
	22	27	+	5	23	22	27	+	5	23
	60	77	+	17	28	60	74	+	14	23
	90	94	+	4	4	90	90	+	0	0
	1	1	+	0	0	1	0	-	1	100
	1	1	+	0	0	1	1	+	0	0

PART III: PROGRAM TARGET GROUP 1. LICENSED COMMERCIAL FISHERMEN (1000) 2. COMMERCIAL MARINE DEALERS (HUNDREDS) 3. FISHG-ASSOCIATED COMMERCIAL ENTERPRISES (100'S) 4. PUBLIC CONSUMERS OR USERS OF FISHERY PRDTS (000'S)	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
	3.2	3.4	+	0.2	6	3.2	3.2	+	0	0
	3	3	+	0	0	3	3	+	0	0
	5	5	+	0	0	5	5	+	0	0
	6	6	+	0	0	6	6	+	0	0

PART IV: PROGRAM ACTIVITY 1. COMMERCIAL FISHING LICENSES & PERMITS ISSUED (000) 2. JUV STOCK PRODUCD (INCL STOCK ENHANCEMENT) (000'S) 3. FISH DATA COLL - CATCH REPTS PROCESSED (000'S) 4. FISH DATA COLL - PORT MONITORING VISITS (00'S) 5. FISH DATA COLL - INTERNAL & EXTERN. DATA REQUESTS 6. #FARMS ASSISTED, PHONE CALLS FOR TECH ASSISTANCE 7. #MTGS & CONTACTS W/OTHER RESOURCE MGT AGENCIES	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
	4	4	+	0	0	4	4	+	0	0
	NO DATA	NO DATA	+	0	0	NO DATA	NO DATA	+	0	0
	310	350	+	40	13	310	280	-	30	10
	2	1	-	1	50	2	0	-	2	100
	200	200	+	0	0	200	200	+	0	0
	225	215	-	10	4	225	205	-	20	9
	13	13	+	0	0	13	13	+	0	0



## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: COMMERCIAL FISHERIES & RESOURCE ENHANCEMENT**

**01 04 02  
LNR 153**

### **PART I - EXPENDITURES AND POSITIONS**

FY 09: Actual expenditures reflect a scale down on spending for federal-funded projects requiring state matching funds.

FY 10: The position vacancies are due to the reduction-in-force (RIF). Actual expenditures were higher in the first quarter due to contract encumbrances of federal funds.

Item 4: Monitoring the federal Northwestern Hawaiian Islands bottomfish permit holders in FY 09 was reduced because this fleet was largely inactive and the federally funded Fishery Aid position responsible for this duty and assisting in other fisheries on-line projects was terminated due to civil service RIF action in FY 10.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1: Longline landings increased and commercial fishing license sales expanded due to recession and loss of land jobs leading to an increase in overall landings in FY 09. Longline bigeye tuna landing may stabilize in the future due to international quota imposed on domestic fleets.

Item 2: Increase in ex-vessel value of landings is attributed to high priced longline bigeye tuna landings.

Item 3: Implementation of the Civil Resources Violation System (CRVS) enforcing the commercial fishing report requirement and implementation of on-line system to file fishing reports increased the timely submission of fishing reports.

Item 4: Closure of the finfish broodstock and larvae culture project ended the spawning/rearing of moi at the Anuenue Fisheries Research Center in FY 10.

### **PART III - PROGRAM TARGET GROUPS**

No significant variance.

### **PART IV - PROGRAM ACTIVITIES**

Item 3: Increase in license sales triggered additional fishing reports during FY 09. Due to CRVS, many fishers opted to cancel or decline to renew licenses leading to a decrease in fishing report requirements in FY 10.

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## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: AQUACULTURE DEVELOPMENT PROGRAM**

**01 04 03  
AGR 153**

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### **PART I - EXPENDITURES AND POSITIONS**

Variances in FY 09 were due to restrictions, lack of federal funds, and less than anticipated expenditures from the Aquaculture Development special fund.

Projected variances in FY 10 are due to furlough restrictions, hiring freeze and layoffs.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 2- The increase in the primary value of aquaculture production can be attributed to large increases in finfish and algae value. The open ocean aquaculture operations have matured as a sector and will continue to grow.

### **PART III - PROGRAM TARGET GROUPS**

No significant variances.

### **PART IV - PROGRAM ACTIVITIES**

Item 3- The number of disease assistance cases is difficult to predict and dependent on industry needs.

Item 4- Reduced funding has resulted in less participation in promotional events.

ADP expects to experience decreases in information sent, permit assistance, and promotional events activities due to the dramatic loss of staff in FY 2010 due to the reduction-in-force. The Aquaculture Specialist and Information Specialist were the primary points of contact for the industry and event planning.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE: TECHNOLOGY

7/28/10

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0105

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	12.00	11.00	- 1.00	8	11.00	11.00	+ 0.00	0	11.00	11.00	+ 0.00	0
EXPENDITURES (\$1000's)	41,198	24,565	- 16,633	40	7,600	4,012	- 3,588	47	61,063	51,942	- 9,121	15
TOTAL COSTS												
POSITIONS	12.00	11.00	- 1.00	8	11.00	11.00	+ 0.00	0	11.00	11.00	+ 0.00	0
EXPENDITURES (\$1000's)	41,198	24,565	- 16,633	40	7,600	4,012	- 3,588	47	61,063	51,942	- 9,121	15
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. INCR IN LEVERAGING PUBLIC INV W/PRIV CAPITAL					5000000	NO DATA	- 5000000	100	5000000	5000000	+ 0	0
2. INCR IN # OF VENTURE CAPITAL PARTNERSHIPS ESTAB					2	NO DATA	- 2	100	1	1	+ 0	0
3. # OF COMPANIES ASSISTED (HTDC)					60400	31944	- 28456	47	32100	32000	- 100	0
4. AMOUNT OF NELHA TENANT SALES (\$M)					75.0	50	- 25	33	82.5	54	- 28.5	35
5. INCREASE IN NELHA REVENUES (\$K)					1573	-81	- 1654	105	1446	332	- 1114	77

**Intermediate Level Program**  
**No Narrative**  
**(See Lowest Level Programs for Explanation of Variances)**

## STATE OF HAWAII

PROGRAM TITLE:

STRATEGIC INDUSTRIES

PROGRAM-ID:

BED-120

PROGRAM STRUCTURE NO: 010501

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	9.00	8.00	- 1.00	11	8.00	8.00	+ 0.00	0	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,637	5,517	- 120	2	742	716	- 26	4	34,901	30,748	- 4,153	12
TOTAL COSTS												
POSITIONS	9.00	8.00	- 1.00	11	8.00	8.00	+ 0.00	0	8.00	8.00	+ 0.00	0
EXPENDITURES (\$1000's)	5,637	5,517	- 120	2	742	716	- 26	4	34,901	30,748	- 4,153	12
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # QUALIFIED TRADE LEADS GENERATED					3506	1010	- 2496	71	10	12	+ 2	20
2. #BUS/ORGs PARTIC IN OUTRCH, MKT & INDUS DEV ACTIV					1117	1149	+ 32	3	1048	1162	+ 114	11
3. DECLINE IN ENERGY USE PER CAP/PER ECON OUTPUT UNIT					6980	4358	- 2622	38	4641	4400	- 241	5
4. RATIO OF EXTERNAL:ST MATCH SPPT OF COOP PRJ (X:1)					1.24	65.58	+ 64.34	5189	0.67	1388.91	+ 1388.24	207200
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # BUS/ORG INTERSTD IN ENERGY/ENV/OCEAN/RECY PROD					1400	4035	+ 2635	188	1265	4240	+ 2975	235
2. ENERGY CONSUMERS STATEWIDE					1408000	1388605	- 19395	1	1420194	1400000	- 20194	1
3. ENERGY PRODUCERS STATEWIDE					58	58	+ 0	0	58	58	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # BUSINESS DEV & PROMO ACTIVITIES DEV & SUPPORTED					44	33	- 11	25	40	43	+ 3	8
2. # IND/MARKET DEV ASSESSMENTS CONDUCTED					1	12	+ 11	1100	10	419	+ 409	4090
3. # INDUSTRY OUTREACH PROJECTS DEV & IMPLEMENTED					90	63	- 27	30	58	63	+ 5	9
4. # ENERGY EFFIC & RENWBLE ENRG PROJ DEV & IMPLMTD					39	35	- 4	10	27	42	+ 15	56

## VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010

**PROGRAM TITLE: STRATEGIC INDUSTRIES**

01 05 01  
BED 120

### **PART I - EXPENDITURES AND POSITIONS**

The position variance in FY 09 is due to a position vacancy.

The expenditures variance in the last three quarters of FY 10 is due to furlough savings.

Item 3. # INDUSTRY OUTREACH PROJECTS DEV & IMPLEMENTED.  
The Science and Technology Branch participated in fewer trade shows due to market considerations.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. # QUALIFIED TRADE LEADS GENERATED. The Science and Technology Branch participated in fewer trade shows due to market considerations and budget restrictions.

Item 3. DECLINE IN ENERGY USE PER CAP/PER ECON OUTPUT UNIT. The total energy use and the de facto population is less than originally planned.

Item 4. RATIO OF INDUSTRY STATE \$ COOP ACT.

The federal to state funding support ratio increased from 1.24:1 to 65.58:1 as general fund support decreased while federal funds from the American Recovery and Reinvestment Act (ARRA) provided \$25,930,000 in FY 09.

### **PART III - PROGRAM TARGET GROUPS**

Item 1. # BUS/ORG INTERESTED IN ENERGY/ENV/OCEAN/RECY PROD. The interest in energy efficiency and renewable projects developed increased the number of interested participants.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. # BUSINESS DEV & PROMO ACTIVITIES DEV & SUPPORTED.  
The number of activities was overestimated; the actual amount was less than originally planned.

Item 2. # IND/MARKET DEV ASSESSMENTS CONDUCTED. The American Recovery and Reinvestment Act increased funding and enabled the hiring of additional staff to conduct more industry and market development assessments than originally planned.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

HIGH TECHNOLOGY DEVELOPMENT CORPORATION

7/28/10

PROGRAM-ID:

BED-143

PROGRAM STRUCTURE NO: 010502

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	3.00	3.00	+	0.00	3.00	3.00	+	0.00	3.00	3.00	+	0.00
<b>EXPENDITURES (\$1000's)</b>	9,945	4,640	-	5,305	1,497	653	-	844	8,296	5,620	-	2,676
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	3.00	3.00	+	0.00	3.00	3.00	+	0.00	3.00	3.00	+	0.00
<b>EXPENDITURES (\$1000's)</b>	9,945	4,640	-	5,305	1,497	653	-	844	8,296	5,620	-	2,676
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF COMPANIES ASSTD AT HTDC INCUBATION CENTERS					220	156	-	64	175	190	+	15
2. MKTG:# OF INDIVIDUALS OR COMPANIES ASSISTED					60400	31994	-	28406	32100	32000	-	100
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # OF POTENTIAL TECH-BASED COMPANIES					1290	1430	+	140	1200	1450	+	250
2. # OF COMPANIES APPLYING FOR INCUBATION SERVICES					40	13	-	27	15	20	+	5
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # OF CONTACTS AND RESPONSES					255000	127875	-	127125	127200	127500	+	300



## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: HIGH TECHNOLOGY DEVELOPMENT CORPORATION**

**01 05 02  
BED 143**

### **PART I - EXPENDITURES AND POSITIONS**

The expenditure variances are primarily due to vacancy savings, unused appropriation for new technology opportunities and/or to develop new technology centers, disbursement of tech centers facility-related expenses through an approved asset management contract, and the program's focus on core programs and services.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1: The variance in FY 09 is a reflection of the slowdown of activity due to the economy along with very low turnover of tenants at the Hawaii Innovation Center at Hilo (HICH). The slowdown in the economy significantly impacted occupancy at the Maui Research & Technology Center (MRTC) as several areas were left vacant at the end of the fiscal year.

Item 2: The vendor that physically hosts HTDC's websites changed. The current methodology of tracking website activity differs from the way information was tracked by a previous vendor, thus the FY 09 "planned" amount is not consistent with the current method of tracking this statistic resulting in the large variance.

### **PART III - PROGRAM TARGET GROUPS**

Item 1: The variances are due to additional areas of opportunities for the Hawaii Small Business Innovation Research (HSBIR) grant program as the program becomes more integrated with our Manufacturing Extension Partnership (MEP) program, the Foreign Trade Zone and the client populations served.

Item 2: The variance in FY 09 reflects the lower number of applications due to the overall slowdown of the economy and its negative impact on the start up of new tech companies. The MRTC had several offices vacant at the end of the fiscal year because of the economic situation and low interest for occupancy. There was also very low turnover of tenants at the Hawaii Innovation Center at HICH.

### **PART IV - PROGRAM ACTIVITIES**

Item 1: The vendor that physically hosts HTDC's websites changed. The current vendor uses a different way of tracking activity in the website from the previous vendor. The timing was such that the FY 09 "planned" number in the variance report was not allowed to be changed in the system and is based on the prior methodology but the FY 09 "actual" number is based on statistics compiled under the new methodology resulting in the mismatch and large negative variance for that fiscal year.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION

7/28/10

PROGRAM-ID: BED-145

PROGRAM STRUCTURE NO: 010503

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	12,973	128	- 12,845	99	1,720	29	- 1,691	98	5,162	3,194	- 1,968	38
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0	0.00	0.00	+ 0.00	0
<b>EXPENDITURES (\$1000's)</b>	12,973	128	- 12,845	99	1,720	29	- 1,691	98	5,162	3,194	- 1,968	38
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. INCR IN LEVERAGING PUBLIC INV W/PRIVATE CAPITAL					5000000	NO DATA	- 5000000	100	5000000	5000000	+ 0	0
2. INCR IN NUMBER OF VENTURE CAP PARTNERSHIPS ESTAB					1	NO DATA	- 1	100	1	1	+ 0	0
3. INCREASE IN NUMBER OF COMPANIES FUNDED					5	NO DATA	- 5	100	5	0	- 5	100
4. AMT NEW INV CAPITAL RAISD THRU STATE PRIV INV FUND					0	NO DATA	+ 0	0	0	0	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. ENTREPRENEURIAL START-UP COMPANIES					24	NO DATA	- 24	100	45	40	- 5	11
2. POTENTIAL INVEST ORG, INCL HIGH NET WORTH INDIVIDS					15	NO DATA	- 15	100	20	15	- 5	25
3. SUPPORT ORGS INCLUDING LEGAL & ACCT FIRMS					3	NO DATA	- 3	100	2	2	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. REINVEST INVEST DISTRIB IN NEW VENTURE PARTNERSHIP					0	NO DATA	+ 0	0	2000000	0	- 2000000	100
2. ORGANIZE AND SPONSOR VENTURE CAPITAL CONF					3	NO DATA	- 3	100	4	4	+ 0	0
3. ENTREPRENEURIAL TRAINING PROGRAMS					5	NO DATA	- 5	100	6	0	- 6	100

## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: HAWAII STRATEGIC DEVELOPMENT CORPORATION**

**01 05 03  
BED 145**

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### **PART I - EXPENDITURES AND POSITIONS**

HSDC did not make any new investments although they were included in the authorization ceiling, resulting in expenditure variances in FY 09 and FY 10.

### **PART II - MEASURES OF EFFECTIVENESS**

No data provided.

### **PART III - PROGRAM TARGET GROUPS**

No data provided.

### **PART IV - PROGRAM ACTIVITIES**

No data provided.

## STATE OF HAWAII

PROGRAM TITLE:

NATURAL ENERGY LAB OF HAWAII AUTHORITY

PROGRAM-ID:

BED-146

PROGRAM STRUCTURE NO: 010504

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
<b>RESEARCH &amp; DEVELOPMENT COSTS</b>												
<b>POSITIONS</b>												
<b>EXPENDITURES (\$1,000's)</b>												
<b>OPERATING COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+	0.00	0.00	0.00	+	0.00	0.00	0.00	+	0.00
<b>EXPENDITURES (\$1000's)</b>	12,643	14,280	+	1,637	3,641	2,614	-	1,027	12,704	12,380	-	324
<b>TOTAL COSTS</b>												
<b>POSITIONS</b>	0.00	0.00	+	0.00	0.00	0.00	+	0.00	0.00	0.00	+	0.00
<b>EXPENDITURES (\$1000's)</b>	12,643	14,280	+	1,637	3,641	2,614	-	1,027	12,704	12,380	-	324
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF NEW NELHA TENANTS (ACTUAL)		3	+	0		3	+	0		3	+	1
2. NEW TENANTS (ACRES) (ACTUAL)		10	-	9		1	-	90		20	+	0
3. AMOUNT OF TENANT SALES (\$M)		54	-	4		50	-	7		82.5	-	28.5
4. INCREASE IN REVENUES (\$K)		1479	-	1560		-81	-	105		1446	-	1114
5. AMT OF TENANT CAPITAL INVSTMNT AT NELHA (\$M)		6.5	+	1.5		8	+	23		6	+	0
6. VALUE OF CEROS PROJECTS FUNDED (\$M)		9.0	-	0.1		8.9	-	1		9.0	-	0.1
7. # OF CEROS OUTREACH & INTERFACE ACTIVITIES		19	-	1		18	-	5		17	+	1
<b>PART III: PROGRAM TARGET GROUP</b>												
1. # BUSINESS/INT'L ORGS W/OCEAN RES INTERESTS		50	-	5		45	-	10		50	+	0
2. # BUSINESS/INT'L ORGS W/SUSTAIN ENERGY INTSTS		70	+	2		72	+	3		40	-	15
3. # TENANTS W/BIOTECHNOLOGY INTERESTS		4	+	3		7	+	75		9	+	0
4. # COLLABORATIONS W/UNIVERSITIES AND COLLEGES		5	+	3		8	+	60		6	+	0
5. # COLLABORATIONS W/NATIONAL LABORATORIES		2	-	1		1	-	50		3	+	0
6. # ORGS COMMERCIALIZING OCEAN TECHNOLOGIES		95	-	5		90	-	5		85	+	5
7. # ORGS IN OCEAN TECH DEV & DOD COMMANDS		600	+	0		600	+	0		600	+	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. # OF NELHA TENANTS (ACTUAL)		44	-	4		40	-	9		45	-	1
2. CURRENT NELHA TENANT EXPANSION (ACRES)		3.5	-	3.5		0	-	100		3	-	2
3. % OF LAND USE AT NELHA & HOST PARK		47	-	1		46	-	2		42	+	5
4. CUM AMOUNT OF STATE, TENANT, & FED CAP IMPV (\$M)		222.5	+	1.5		224	+	1		123	+	102
5. # OF NELHA OUTREACH ACTIVITY PARTICIPANTS		3500	-	133		3367	-	4		3717	-	717
6. % CEROS BUDGET USED FOR TECHNOLOGY PROJECTS		90	+	1.8		91.8	+	2		91	-	0.1
7. # OF CEROS OUTREACH & INTERFACE PARTICIPANTS		470	-	20		450	-	4		400	+	0

## VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010

**PROGRAM TITLE: NATURAL ENERGY LAB OF HAWAII AUTHORITY**

01 05 04  
BED 146

### **PART I - EXPENDITURES AND POSITIONS**

Item 2 - Variance due to delays in approval of new tenants.

The expenditure variance in FY 09 is due to position vacancies, seawater pumping cost being lower than projected (due to lower than projected tenant usage and electricity costs), delays in encumbering large maintenance contracts, and the CEROS program receiving additional funds in the amount of \$2,940,880.

The expenditure variance in the first quarter of FY 10 is due to position vacancies, delayed contract encumbrances for repair and maintenance of facility infrastructure, and imposed budget restrictions.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1 - Variance due to downturn in the economy.

Item 2 - Variance due to delays in approval of new tenants.

Item 3 - Variance due to the downturn in the economy.

Item 4 - Variance due to tenant delinquencies, lower percent rent collections due to the slowing economy, and deletion of the general fund subsidy for aquaculture tenants.

Item 5 - Variance due to four tenants completing expansion projects.

### **PART III - PROGRAM TARGET GROUPS**

Item 1 - Variance due to overestimation in the planned amount.

Item 3 & 4 - Variance is due to several universities and colleges taking an interest in the NELHA Water Quality Laboratory.

Item 5- Variance is due decreased staff time available to contact national laboratories.

### **PART IV - PROGRAM ACTIVITIES**

## STATE OF HAWAII

PROGRAM TITLE:

NATURAL ENERGY LABORATORY OF HI AUTHORITY

PROGRAM-ID:

AGS-846

PROGRAM STRUCTURE NO: 010505

## VARIANCE REPORT

REPORT V61

7/28/10

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)  OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)  TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%

PART II: MEASURES OF EFFECTIVENESS 1. PROGRAM TRANSFERRED FROM BED BY 2009 LEGISLATURE	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
	NO DATA	NO DATA	+ 0	0	NO DATA	NO DATA	+ 0	0

## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: NATURAL ENERGY LABORATORY OF HI AUTHORITY**

**01 05 05  
AGS 846**

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### **PART I - EXPENDITURES AND POSITIONS**

Although the program was transferred by the 2009 Legislature to the Department of Accounting and General Services, the program remained in the Department of Business and Economic Development for Tourism (BED-146). See BED-146 for explanation of variances.

### **PART II - MEASURES OF EFFECTIVENESS**

See BED-146 for explanation of variances.

### **PART III - PROGRAM TARGET GROUPS**

See BED-146 for explanation of variances.

### **PART IV - PROGRAM ACTIVITIES**

See BED-146 for explanation of variances.

## STATE OF HAWAII

PROGRAM TITLE:

WATER AND LAND DEVELOPMENT

PROGRAM-ID:

LNR-141

PROGRAM STRUCTURE NO: 0106

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	6.00	3.00	-	3.00	5.00	5.00	+	0.00	5.00	5.00	+	0.00
EXPENDITURES (\$1000's)	853	288	-	565	217	66	-	151	652	474	-	178
<b>TOTAL COSTS</b>												
POSITIONS	6.00	3.00	-	3.00	5.00	5.00	+	0.00	5.00	5.00	+	0.00
EXPENDITURES (\$1000's)	853	288	-	565	217	66	-	151	652	474	-	178
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. SURFACE WATER SUPPLY DEVELOPED (MGD)					0	0	+	0	0	0	+	0
2. GROUNDWATER SUPPLY DEVELOPED (MGD)					1	0	-	1	1	0	-	1
3. WATER CREDITS PROVIDED TO STATE AGENCIES (1000 GALS)					500	10	-	490	500	10	-	490
4. STATE LANDS DEVELOPED (ACRES)					20	10	-	10	20	10	-	10
<b>PART III: PROGRAM TARGET GROUP</b>												
1. DEFACTO POPULTN BENEFITNG FR IMPRVMTS (NO. IN MIL)					1.4	1.4	+	0	1.4	1.4	+	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. PLANNING AND PROGRAMMING (NUMBER OF PROJECTS)					25	25	+	0	25	25	+	0
2. PROJECTS DESIGNED (NUMBER OF PROJECTS)					25	25	+	0	25	25	+	0
3. ENGINEERING CONSULTANT CONTRACTS ADMINISTERED					10	10	+	0	10	10	+	0
4. ENGIN SVCS PROVIDED TO OTHER DLNR OFFICES (MAN HRS)					20000	20000	+	0	2000	24000	+	22000
5. CIP EXPENDITURES (\$1,000)					20000	22364	+	2364	20000	15000	-	5000
6. ALTERNATE WATER DEVLPM PROJECTS INVESTIGATED (NO.)					0	0	+	0	0	0	+	0



## VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010

**PROGRAM TITLE: WATER AND LAND DEVELOPMENT**

01 06  
LNR 141

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### **PART I - EXPENDITURES AND POSITIONS**

Differences in budgeted amounts and actual expenditures are primarily due to staff vacancies and unused accrued vacation/sick leave/retirement fund for capital improvement projects (CIP) staff.

### **PART II - MEASURES OF EFFECTIVENESS**

Items 2 and 3: Reflects authorized water development projects and their completion; there has been a downturn in funding for such projects.

Item 4: Reflects authorized land development projects and their completion; there has been a downturn in funding for such projects.

### **PART III - PROGRAM TARGET GROUPS**

No significant variance.

### **PART IV - PROGRAM ACTIVITIES**

Item 4: Reflects time spent on authorized projects under other departmental programs, authorization of CIP projects less than anticipated, and staff focusing additional time on projects from other departmental programs.

Item 5: Reflects actual expenditures; an additional \$16 million is encumbered in consultant and/or construction contracts.

## STATE OF HAWAII

PROGRAM TITLE:

SPECIAL COMMUNITY DEVELOPMENT

PROGRAM-ID:

PROGRAM STRUCTURE NO: 0107

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ACTUAL	+ CHANGE	%	BUDGETED	ESTIMATED	+ CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
OPERATING COSTS												
POSITIONS	2.00	2.00	+	0.00	2.00	2.00	+	0.00	2.00	2.00	+	0.00
EXPENDITURES (\$1000's)	3,992	1,995	-	1,997	367	396	+	29	3,149	2,303	-	846
TOTAL COSTS												
POSITIONS	2.00	2.00	+	0.00	2.00	2.00	+	0.00	2.00	2.00	+	0.00
EXPENDITURES (\$1000's)	3,992	1,995	-	1,997	367	396	+	29	3,149	2,303	-	846
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	+ CHANGE	%	PLANNED	ESTIMATED	+ CHANGE	%
PART II: MEASURES OF EFFECTIVENESS												
1. NEW PRIVATE DEVELOPMENT IN KAKAAKO COMM DEV (\$M)					162	5.1	-	156.9	200	11.41	-	188.59
2. NEW PRIVATE DEVELOPMENT W/IN KALAELOA (\$M)					20	0	-	20	20	10.25	-	9.75

Intermediate Level Program  
No Narrative  
(See Lowest Level Programs for Explanation of Variances)

## STATE OF HAWAII

PROGRAM TITLE:

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

PROGRAM-ID:

BED-150

PROGRAM STRUCTURE NO: 010701

## VARIANCE REPORT

REPORT V61

7/28/10

PART I: EXPENDITURES & POSITIONS RESEARCH & DEVELOPMENT COSTS POSITIONS EXPENDITURES (\$1,000's)	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
OPERATING COSTS POSITIONS EXPENDITURES (\$1000's)	2.00 961	2.00 766	+ -	0.00 195	0 20	2.00 198	2.00 228	+ +	0.00 30	0 15	2.00 1,689	2.00 842	+ -	0.00 847	0 50
TOTAL COSTS POSITIONS EXPENDITURES (\$1000's)	2.00 961	2.00 766	+ -	0.00 195	0 20	2.00 198	2.00 228	+ +	0.00 30	0 15	2.00 1,689	2.00 842	+ -	0.00 847	0 50
						FISCAL YEAR 2008-09				FISCAL YEAR 2009-10					
						PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS															
1. NEW PRIV DEV IN KAKAAKO COM DEV DIST (\$M)						95	5.1	-	89.9	95	91	11.41	-	79.59	87
2. NEW BLDG FLOOR SPACE IN KAKAAKO (1000 SF)						15.5	0	-	15.5	100	636	0	-	636	100
3. # OF NEW HOUSING UNITS IN KAKAAKO						12	0	-	12	100	492	0	-	492	100
4. # OF NEW PUBLIC FACILITIES IN KAKAAKO						0	0	+	0	0	2	2	+	0	0
5. # ACTIVELY-USED PARCELS IN KALAELOA CDD						57	53	-	4	7	57	53	-	4	7
6. NEW PRIVATE DEVELOPMENT WITHIN KALAELOA (\$M)						20	0	-	20	100	20	10.25	-	9.75	49
PART III: PROGRAM TARGET GROUP															
1. # OF RESIDENTS IN KAKAAKO						12590	12590	+	0	0	13090	12590	-	500	4
2. # OF EMPLOYEES IN KAKAAKO						25752	25752	+	0	0	26382	25752	-	630	2
3. # OF BUSINESSES IN KAKAAKO						1662	1656	-	6	0	1672	1656	-	16	1
4. # OF LANDUSERS WITHIN KALAELOA						35	14	-	21	60	35	14	-	21	60
5. # RESIDENTS WITHIN KALAELOA & SURROUNDING AREAS						5000	5000	+	0	0	5100	5100	+	0	0
PART IV: PROGRAM ACTIVITY															
1. DEVELOPMENT PERMITS ISSUED IN KAKAAKO						160	88	-	72	45	160	105	-	55	34
2. # INFRASTRUCTURE IMPROV PROJS BEGUN IN KAKAAKO						3	3	+	0	0	0	2	+	2	0
3. NEW PUBLIC IMPROVEMENTS IN KAKAAKO (\$M)						19201	0.86	-	19200.14	100	1	3.19	+	2.19	219
4. # PARCELS IN KALAELOA COVERED BY ECON DEV PLAN						121	83	-	38	31	121	83	-	38	31
5. NEW PLANNING IN KALAELOA (\$M)						0	0	+	0	0	0	0	+	0	0
6. # PARCELS, INFRASTRUCTURE SYS CONVEYED IN KALAELOA						42	77	+	35	83	42	83	+	41	98
7. # PROJS FACILITATED & COMPLETED IN KALAELOA						5	5	+	0	0	5	5	+	0	0

## VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010

**PROGRAM TITLE: HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

**01 07 01  
BED 150**

### **PART I - EXPENDITURES AND POSITIONS**

The expenditure variances are due to budget restrictions and postponed activities in the district.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1. The variance is due in part to the financial crisis that made it almost impossible to finance large projects. Private projects have been severely impacted, in particular: 1) Pacifica (previously called Moana Vista) project was halted for 18 months, but is currently in the process of restarting; 2) Nauru Phase IV project that was postponed for 4 years; and 3) NCR project that was estimated to complete earlier.

Item 2. The variance in FY 09 is due to the NCR project that was not completed earlier. The variance in FY 10 is the net result of the Pacifica and Ward Village Shops projects that were postponed.

Item 3. The variance in FY 09 is due to the NCR project that was not completed. The variance in FY 10 is due to the Pacifica project that was halted.

Item 6. The variance in FY 09 is due to an overestimation in the planned amount and economic conditions that have a negative impact on development. The variance in FY 10 is due to delayed investments by private developers.

### **PART III - PROGRAM TARGET GROUPS**

Item 4. The variance is due to a correction made to the number of land users within Kalaeloa based on updated information.

### **PART IV - PROGRAM ACTIVITIES**

Item 1. The variance in FY 09 is due to deteriorated economic conditions caused by the financial crisis.

Item 2. The variance in FY 10 is due to the start of the Mother Waldron

Park and Kewalo Basin Harbor improvements projects.

Item 3. The variance in FY 09 is mainly due to a misplacement of the decimal point in the planned amount and an overestimation of the planned amount.

Item 4. The variance is due to a correction made to the number of parcels in Kalaeloa covered by the economic development plan based on updated information.

Item 6. The variance is due to a correction made to the number of parcels and infrastructure systems conveyed in Kalaeloa based on updated information.

## STATE OF HAWAII

PROGRAM TITLE:

ALOHA TOWER DEVELOPMENT CORPORATION

PROGRAM-ID:

BED-151

PROGRAM STRUCTURE NO: 010702

## VARIANCE REPORT

REPORT V61

7/28/10

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10						
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%			
PART I: EXPENDITURES & POSITIONS															
RESEARCH & DEVELOPMENT COSTS															
POSITIONS															
EXPENDITURES (\$1,000's)															
OPERATING COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0			
EXPENDITURES (\$1000's)	3,031	1,229	-	1,802	59	169	168	-	1	1	1,460	1,461	+	1	0
TOTAL COSTS															
POSITIONS	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0	0.00	0.00	+	0.00	0
EXPENDITURES (\$1000's)	3,031	1,229	-	1,802	59	169	168	-	1	1	1,460	1,461	+	1	0

	FISCAL YEAR 2008-09				FISCAL YEAR 2009-10					
	PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%		
PART II: MEASURES OF EFFECTIVENESS										
1. DEVELOPMENT PROJECTS GENERATED	5	6	+	1	20	5	9	+	4	80
2. NUMBER OF JOBS CREATED	100	100	+	0	0	100	100	+	0	0
3. TOTAL CONSTR VALUE OF DEV PROJS UNDER NEGOTN (MIL)	0	NO DATA	+	0	0	300	91	-	209	70
4. EST. TAX REVENUE INCREASE FROM DEVELOPMENT (MIL.)	0	NO DATA	+	0	0	35.1	15.0	-	20.1	57
PART III: PROGRAM TARGET GROUP										
1. LOCAL AND INTERNATIONAL REAL ESTATE DEVELOPERS	2	0	-	2	100	0	0	+	0	0
2. EXISTING AND POTENTIAL TENANTS/USERS/DEVELOPERS	500	NO DATA	-	500	100	0	NO DATA	+	0	0
PART IV: PROGRAM ACTIVITY										
1. # PROJECTS UNDER DEVELOPMENT OR UNDER AGREEMENT	5	6	+	1	20	5	15	+	10	200
2. # DIRECT NEGOTIATIONS ENTERED INTO	5	6	+	1	20	5	9	+	4	80
3. # OF INITIATIVES GENERATED	7	7	+	0	0	7	10	+	3	43
4. # OF PROJECTS UNDER CONSTRUCTION	2	2	+	0	0	2	1	-	1	50

## **VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010**

**PROGRAM TITLE: ALOHA TOWER DEVELOPMENT CORPORATION**

**01 07 02  
BED 151**

### **PART I - EXPENDITURES AND POSITIONS**

The expenditure variance was less than budgeted because there were no operating expenses for the Harbors Modernization Plan (HMP) in the first quarter.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1 - With additional staff, ATDC generated four more projects than originally planned.

Items 3 and 4 - No data provided.

### **PART III - PROGRAM TARGET GROUPS**

Item 1 - The variance is due to inability to obtain financing for one project while the other project was in arbitration but is expected to be closed by the end of FY 10.

Item 2 - No data collected.

### **PART IV - PROGRAM ACTIVITIES**

Items 1 and 2 - Additional projects under the HMP were moved forward as staff were hired in the beginning of FY 10 to implement the plan. HMP projects are currently in the planning and design phase. The construction phase for these projects is anticipated to begin in next fiscal year, pending the timing of bond sales.

## STATE OF HAWAII

## VARIANCE REPORT

REPORT V61

PROGRAM TITLE:

HAWAII HOUSING FINANCE AND DEVELOPMENT CORP

7/28/10

PROGRAM-ID:

BED-160

PROGRAM STRUCTURE NO: 0108

	FISCAL YEAR 2008-09				THREE MONTHS ENDED 09-30-09				NINE MONTHS ENDING 06-30-10			
	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ACTUAL	± CHANGE	%	BUDGETED	ESTIMATED	± CHANGE	%
<b>PART I: EXPENDITURES &amp; POSITIONS</b>												
RESEARCH & DEVELOPMENT COSTS												
POSITIONS												
EXPENDITURES (\$1,000's)												
<b>OPERATING COSTS</b>												
POSITIONS	34.00	23.00	- 11.00	32	33.00	23.00	- 10.00	30	33.00	33.00	+ 0.00	0
EXPENDITURES (\$1000's)	41,479	22,519	- 18,960	46	15,599	6,817	- 8,782	56	68,311	68,311	+ 0	0
<b>TOTAL COSTS</b>												
POSITIONS	34.00	23.00	- 11.00	32	33.00	23.00	- 10.00	30	33.00	33.00	+ 0.00	0
EXPENDITURES (\$1000's)	41,479	22,519	- 18,960	46	15,599	6,817	- 8,782	56	68,311	68,311	+ 0	0
					FISCAL YEAR 2008-09				FISCAL YEAR 2009-10			
					PLANNED	ACTUAL	± CHANGE	%	PLANNED	ESTIMATED	± CHANGE	%
<b>PART II: MEASURES OF EFFECTIVENESS</b>												
1. # OF HOMEBUYERS ASSISTED					409	239	- 170	42	414	556	+ 142	34
2. # OF NEW RENTAL UNITS					437	484	+ 47	11	354	107	- 247	70
3. # OF EXISTING AFFORD RENTAL HOUSING UNITS PRESERV					108	100	- 8	7	50	108	+ 58	116
4. # OF LEASE RENTS RENEGOTIATED					0	0	+ 0	0	0	0	+ 0	0
5. # OF SINGLE FAM LEASHLD LOTS CONVERT TO FEE SIMPLE					1	0	- 1	100	0	0	+ 0	0
<b>PART III: PROGRAM TARGET GROUP</b>												
1. HSEHLDS EARN UP 140% OF MED INC EST BY USDHUD					954	2700	+ 1746	183	2700	2700	+ 0	0
2. EMPLOYEES OF TARGETED IND IDENTIFIED BY DBEDT					NO DATA	NO DATA	+ 0	0	0	0	+ 0	0
<b>PART IV: PROGRAM ACTIVITY</b>												
1. ORIGINATE LOANS/GRANTS FOR ACQ/REHAB OR DEV OF HSE					510	1656	+ 1146	225	100	327	+ 227	227
2. ALLOCATE TAX CRDT FOR ACQ/REHAB OR DEV OF HOUSING					225	225	+ 0	0	225	278	+ 53	24
3. ISSUE TAX-EXEMPT REVENUE BONDS (\$M)					54	34	- 20	37	0	21	+ 21	0
4. UTILIZE CH 201H TO FAC ST & CNTY LAND APP FOR HSNG					90	570	+ 480	533	0	0	+ 0	0
5. ACQUIRE/DISPOSE OF REAL PROPERTY					4	4	+ 0	0	7	2	- 5	71
6. ASSIST FIRST-TIME HOMEBUYERS					59	0	- 59	100	189	256	+ 67	35
7. PROCESS APP FOR ARBITRATION OF LEASE RENT RENEGO					0	0	+ 0	0	0	0	+ 0	0
8. PROCESS APPLICATIONS FOR LEASEHOLD CONVERSION					0	0	+ 0	0	0	0	+ 0	0



## VARIANCE REPORT NARRATIVE FY 2009 AND FY 2010

**PROGRAM TITLE: HAWAII HOUSING FINANCE AND DEVELOPMENT CORP**

**01 08  
BED 160**

### **PART I - EXPENDITURES AND POSITIONS**

The position variance is primarily due to a delay in filling of positions.

The expenditure variance is due to furlough savings and delays in projects.

### **PART II - MEASURES OF EFFECTIVENESS**

Item 1: The FY 09 variance is due to projects being postponed to FY 10. As a result, the FY 10 variance is also created by same projects.

Item 2: The FY 09 variance is due to a higher leverage of funds than anticipated. The FY 10 variance is attributed to most of the financial resources being used for existing projects facing shortfalls or which were restructured.

Item 3: FY 10 variance is a result of reduced funding levels.

Item 5: We anticipated one single family leasehold converting to fee simple because of the inquiry received; however, the inquiry did not materialize to a conversion.

### **PART III - PROGRAM TARGET GROUPS**

Item 1: The variance is due to the utilization of updated HUD data for the actual average monthly income of households.

### **PART IV - PROGRAM ACTIVITIES**

Item 1: The FY 09 variance is due to a higher leveraging of funds than anticipated. The FY 10 variance is due to higher leveraging of finance resources.

Item 3: The FY 09 variance is due to Franciscan Vista project being delayed into FY 10. The FY 10 estimate assumed that there would be no bond issues.

Item 4: The variance is due to a planned amount that was inadvertently underestimated.

Item 6: The FY 09 variance is due to delays in projects. The FY 10 variance is due to a planned amount that was inadvertently underestimated.